

File Number S/055/021

Effective Date Sept 23, 2005

Other Agency File Number BLM

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



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SEP 22 2005

DIV OF OIL GAS & MINING

RECLAMATION CONTRACT

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>S/055/021</u>
(Mineral Mined)	<u>Sandstone</u>
"MINE LOCATION":	
(Name of Mine)	<u>Torrey Buff and Red Sandstone</u>
(Description)	<u>Buff - 2 miles southeast of Torrey</u>
	<u>Red - 1 mile south of Torrey off of Dump Rd</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>4.98 Acres</u>
(Legal Description)	<u>(Refer to Attachment A)</u>
"OPERATOR":	
(Company or Name)	<u>State Stone Corporation Inc.</u>
(Address)	<u>4640 South 300 West</u>
	<u>Murray, Utah 84107</u>
(Phone)	<u>801-262-9323</u>



"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

Keith P. MacKay

4640 South 300 West

Murray, Utah 84107

(Phone)

801-262-9323

"OPERATOR'S OFFICER(S)" & TITLE:

Keith P. MacKay

President

SURETY":

(Form of Surety - Attachment B)

Cash

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Utah State Treasurer

"SURETY AMOUNT":

(Escalated Dollars)

\$13,500.00

"ESCALATION YEAR":

2008

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between State Stone Corporation Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/055/021 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Reclamation Plan and/or Notice of Intention received by the Division on 4/21/2005. The Reclamation Plan and/or Notice of Intention, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the

Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.



7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:



State Stone Corporation Inc.

Operator Name

By Keith P. MacKay

Authorized Officer (Typed or Printed)

President

Authorized Officer - Position

Keith P. MacKay
Officer's Signature

9/22/05
Date

STATE OF Ut)

COUNTY OF SL) ss:

On the 22nd day of September, 20 05, xx Keith P. MacKay xx
personally appeared before me, who being by me duly sworn did say that he/she is the
Pres. of State Stone Corp. Inc. and duly acknowledged that said instrument was signed on behalf
of said company by authority of its bylaws or a resolution of its board of directors and
said Keith P. MacKay acknowledged to me that said company
executed the same.

Mary L. Robinson
Notary Public
Residing at SLUT

3-17-2007

My Commission Expires:



COPY

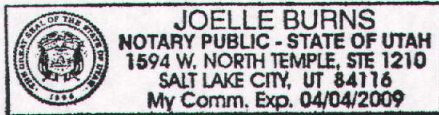
DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

Date 9/23/05

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 23rd day of September, 2005, John R Baza
personally appeared before me, who being duly sworn did say that he, the said
John R Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: SLC Utah

April 4.2009
My Commission Expires:



ATTACHMENT "A"

State Stone Corporation Inc.

Torrey Buff - Red

Operator

Mine Name

S/055/021
Permit Number

Wayne County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 4.98 acres under the approved / accepted permit and surety, as reflected on the attached map labeled Attachment C (Buff Quarry) & Attachment D (Red Quarry) and dated January 30 and April 6, 2004 & November 2004 :

Buff Quarry Portions of

T.29 S., R. 5 E., Sect. 20 SW $\frac{1}{4}$ NW $\frac{1}{4}$

Red Quarry Portions of

T.29 S., R. 4 E., Sect. 13 SW $\frac{1}{4}$ NW $\frac{1}{4}$

(Including the access road)

COPY



Dept. of Natural Resources
Division of Oil, Gas & Mining
Mineral Mines Program

Different data sources and input scales
may cause misalignment of data layers.
This product may not meet DOGM
standards for accuracy and content.

300 0 300 600 Feet

Attachment C
(Buff Quarry)



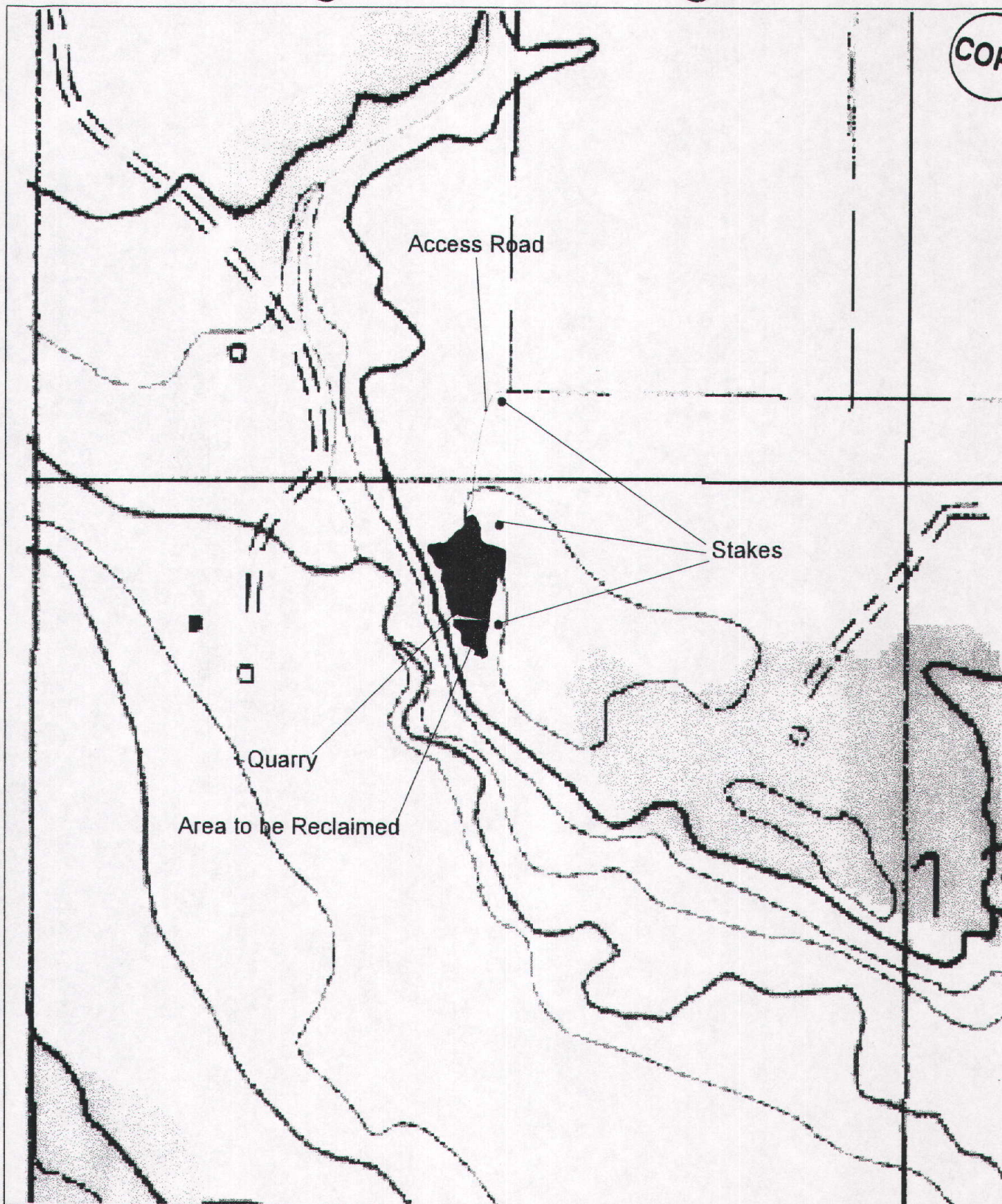
Mine Number: M/055/021 (East Site)
Mine Name: State Stone
Township 29 S Range 5 E Section 20 SLBM
Torrey Quad

Drafted by Paul Baker

January 30 and
April 6, 2004

Contour Interval:
40 feet

COPY



Dept. of Natural Resources
Division of Oil, Gas & Mining
Mineral Mines Program

Different data sources and input scales
may cause misalignment of data layers.
This product may not meet DOGM
standards for accuracy and content.

200 0 200 400 Feet



Contour Interval: 40 feet

Attachment D
(Red Quarry)



Mine Number: M/055/021 (Unpermitted)
Mine Name: State Stone
Township 29 S Range 4 E Section 13 SLBM

Drafted by PBB

November 2004



Colleen Hackwell



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DIV. OF OIL, GAS & MINING

5/055/021

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SEP 22 2005

DIV OF OIL GAS & MINING



FOR YOUR PROTECTION SAVE THIS COPY
OFFICIAL CHECK

Customer Copy

330961240

09/21/2005

Utah

Remitter STATE STONE INC

\$ *****13,500.00 ***

Pay To The
Order Of

UTAH DIVISION OF OIL, GAS, AND MINING

Drawer: JPMORGAN CHASE BANK, N.A.

NON NEGOTIABLE

TERMS

KEEP THIS COPY FOR YOUR RECORD OF THE TRANSACTION. TO REPORT A LOSS OR FOR ANY OTHER INFORMATION ABOUT THE INSTRUMENT, CONTACT THE INSTITUTION FROM WHICH YOU RECEIVED THE INSTRUMENT.



OFFICIAL CHECK



330961240

16-3717
1220

Date 09/21/2005

Utah

Remitter STATE STONE INC

Pay: THIRTEEN THOUSAND FIVE HUNDRED DOLLARS AND 00 CENTS

\$ *****13,500.00 ***

Pay To The
Order Of

UTAH DIVISION OF OIL, GAS, AND MINING

Drawer: JPMORGAN CHASE BANK, N.A.

Stephen L. Hughes

First Vice President

Issued by Integrated Payment Systems Inc., Englewood, Colorado
Wells Fargo Bank Ltd., Los Angeles, California



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